

## PRESS RELEASE

### M&A SPOTLIGHT: CEE – WOLF THEISS CORPORATE MONITOR FY 2016

**Vienna/London, 16 February 2017 – 98 percent of dealmakers say they are more likely to invest in Central, Eastern and South-Eastern Europe (CEE/SEE) again following their most recent deal, according to a new report from Mergermarket and Wolf Theiss.**

The study, which canvassed the opinions of 150 senior-level executives about their experiences and outlook on M&A in the CEE/SEE region, also includes in-depth analysis of M&A trends in each country in CEE/SEE.

Sonja Caymaz, research editor at Remark, part of the Mergermarket Group, commented: “Firm GDP growth in most Central and Eastern European countries has sparked investor confidence in the region. There was strong appetite for TMT, real estate, consumer and energy targets, especially from private equity firms which led to a record value for private equity deals in 2016. There is still plenty of room for digitalisation in consumer and manufacturing businesses, and the ability to grow strong local brands across borders. As elsewhere in Europe, inbound activity from China into the CEE region also doubled compared from 2015.”

M&A activity in CEE was lively in 2016 amid wider international political headwinds and global economic uncertainty. Dealmakers’ confidence sent deal value soaring to €38.3bn, up 62% from €23.6bn in 2015. In line with global trends, volume remained fairly even year-on-year, with 507 deals, compared to 516 in 2015 but still 8% above volume in 2014.

2016 has also been a firm year for CEE private equity activity, with 103 deals worth a combined value of €11.3bn – the highest deal value for PE in the region on Mergermarket record.

“CEE/SEE saw a very strong M&A market in 2016, in part benefiting from a favourable global transactions trend but also on the back of Central Europe being host to stable and rapidly growing economies that offer attractive opportunities on their own merit,” said Horst Ehardt, who heads the Corporate and M&A Group at Wolf Theiss. “This trend is widely expected to continue in 2017 even though there is some uncertainty in trying to assess the potential implications of shifting policy approaches of the new US administration, the outcome of elections in France and Germany and the United Kingdom’s structuring of its exit from the EU,” Ehardt added.

Other key findings from the report include:

- Poland, Austria, and the Czech Republic, the region’s largest economies,

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are seen as the most attractive markets for buyers. Austria is regarded by 41% of respondents as the best gateway for M&A in CEE, suggesting that Vienna still holds an edge as the region's financial capital.

- The leading driver of M&A in the region is a target's intellectual property (IP) or technology, cited by 28% of respondents. This suggests that CEE is developing strong innovative companies. Poland, in particular, is seen as major hub for digital success.
- The main challenge for dealmakers in specific countries stems from the competitive bidding environment – say 51% of respondents. The strength of valuations in sectors such as TMT and consumer, strong inbound activity by competitive Chinese buyers, a burgeoning start-up culture in some countries alongside distressed opportunities, and the overflowing war chests of global PE and corporates have only exacerbated this challenge.
- Investors believe that distressed opportunities are expected to grow in 2017, which should be of particular interest to buyout firms – Ukraine, Czech Republic and Poland are seen as the key locations for these types of deals.

INSIDE CORPORATE, in its fifth edition, is a study of M&A activity in CEE/SEE, alongside macroeconomic developments, published in cooperation with Wolf Theiss, one of the leading European law firms in CEE/SEE with a focus on international business law. Drawing from extensive data on CEE/SEE M&A trends, the report offers insight into the economic, political and legal challenges and opportunities facing the region, as well as the outlook for 2017.

To view the full report, please click here: <http://www.wolftheiss.com/knowledge/wolf-theiss-guides/detail/ma-spotlight-cee-wolf-theiss-corporate-monitor/>

## ABOUT WOLF THEISS

Founded in 1957, Wolf Theiss is one of the leading European law firms in Central, Eastern and South-Eastern Europe with a focus on international business law. With 340 lawyers in 13 offices located in Albania, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine, Wolf Theiss represents local and international industrial, trade and service companies, as well as banks and insurance companies. Combining law and business, Wolf Theiss develops comprehensive and constructive solutions on the basis of legal, fiscal and business know-how.

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